UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

JUN 10 2003

Foxx and Company
ATTN: Mr. Martin O'Neill, Partner
700 Goodall Complex
324 West Ninth Street
Cincinnati, OH 45202-1908

Dear Mr. O'Neill:

SUBJECT: WORK ORDER NO. 02 ENTITLED, "BIENNIAL REVIEW OF ADMINISTRATIVE CHARGES," UNDER DELIVERY ORDER DR-09-03-127 UNDER GSA FSS CONTRACT NO. GS-23F-9832H

In accordance with the Terms and Conditions, DELIVERY ORDER CLAUSES, of the subject contract, this letter definitizes the subject work order. This effort shall be performed in accordance with the enclosed Statement of Work.

The period of performance for Work Order No. 02 shall be from June 12, 2003 through August 31, 2003 at the fixed price amount of $12,559.

This work order obligates funds in the amount of $12,559. The accounting data for Work Order No. 01 is as follows:

B&R No.:	37N-15-532-358
FIN No.:	L1965
Appropriation No.:	31X0200.37N
BOC No.:	252A
Obligated Amount:	$12,559

The following individuals are considered to be essential to the successful performance of the work hereunder: [redacted]

The Contractor agrees that such personnel shall not be removed from the effort under the work order without compliance with contract clause, NRCAR 2052.215-70 entitled, "KEY PERSONNEL."

Your contacts during the course of this work order are:

Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340

Contractual Matters: Amy Siller, Contract Specialist
(301) 415-6747

The issuance of this work order does not amend any terms or conditions of the delivery order under the GSA FSS contract.

Please indicate your acceptance of this work order by having an official, authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Ms. Amy Siller, ADM/DC/CMC2, Mail Stop T-7-I-2, Washington, DC 20555. You should retain the third copy for your records.

Sincerely,

Robert B. Webber, Contracting Officer
Contract Management Center 2
Division of Contracts
Office of Administration

Enclosures:
As stated

ACCEPTED:

Name

Title

6/11/03
Date

Statement of Work

Work Order No. 2 under Job Code L1965
Contract No. DR-09-03-127

Title:	Biennial Review of Administrative Charges
Technical Monitor:	Robert E. Rakowski, OCFO - (301) 415-7340
Designated Alternates:	Anthony C. Rossi, OCFO - (301) 415-7379
	Barbara K. Gusack, OCFO - (301) 415-6054

Background

The Federal Claims Collection Standards (4 CFR 102.13 (d)) state that an "agency shall assess against a debtor any charges to cover administrative costs incurred as a result of a delinquent debt. Calculation of administrative costs should be based upon actual costs incurred or upon cost analyses establishing an average of additional costs incurred by the agency in processing and handling claims against other debtors in similar stages of delinquency." The Chief Financial Officers Act of 1990 (31 U.S.C.902 (a) (8)) requires agencies to perform a biennial review of fees and other charges imposed. Accordingly, on a biennial basis, the NRC is required to review the charges assessed against delinquent debts.

The NRC is currently billing delinquent debtors at a rate of $5 per month for each month of the delinquency. In addition, the NRC charges each delinquent debtor $130 when an order is issued. These administrative costs were based on the September 30, 2001 biennial review.

Scope

The scope of this work order is to perform a cost analysis of both direct labor costs and other costs related to the delinquent debt billing process. The analysis should cover the six processing steps in the delinquent debt process.

Objective

Based on the cost analysis of charges assessed to debtors to cover administrative costs incurred because of delinquent debts, the contractor should provide recommendations to assist the NRC in determining the amount of charges that it should assess against delinquent debtors.

Work Requirements

The contractor shall provide qualified personnel to complete the following tasks:

1. Review the legislative and regulatory requirements of the revised Federal Claims Collection Standards related to administrative costs which are recoverable by NRC.

2. Utilize cost finding techniques consisting primarily of interviewing NRC personnel to determine the direct labor, indirect costs, and other costs, related to NRC's administrative costs. (Other costs would include fringe benefits, telephone charges, postage, supervisory review, and costs by other offices such as OGC and the Regions.)

Work Requirements, continued

3. Prepare a report on the results of the review including the estimated costs for each phase of the process for those areas identified.

Level of Effort

The level of effort is estimated to be at 30 hours for partner and 120 hours for manager.

Period of Performance

The period of performance is June 12, 2003 through August 31, 2003.

Deliverables

The contractor shall provide a draft report by July 18, 2003, and a final by July 31, 2003.

Meetings

The contractor shall attend approximately five (5) status meetings at NRC's Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland. The date and time of each meeting will be coordinated between the contractor and the NRC Project Officer or designated alternates.

NRC Furnished Materials/Equipment

The NRC shall provide the contractor with the following items for use under this work order:

- Computer reports, financial and accounting documents, and other documentation relevant to this work order.
- Personal computers, calculators, telephones, copy and facsimile machines will be provided to certain on-site contractor staff support of this work order.